

## **The complaint**

Miss S complains Lloyds Bank Plc (“Lloyds”) closed her account upon application. She’s unhappy Lloyds keep declining her applications for an account with it.

## **What happened**

The details of this complaint are well known by both parties, so I won’t repeat them again here in detail. Instead, I’ll focus on setting out some of the key facts and on giving my reasons for my decision.

In January 2024, Miss S complained to Lloyds after it had closed her new account upon application. Lloyds didn’t uphold Miss S’ complaint. In short Lloyds said it uses information from fraud and credit agencies to help make decisions and its unable to offer Miss S an account at this time.

Miss S referred her complaint to this service. One of our Investigator’s looked into it, and they recommended it wasn’t upheld. In summary, their key findings were:

- Lloyds can make its own commercial decision on who it takes on as a customer in the same way a consumer can choose who they bank with.
- Lloyds closed Miss S’ previous account with it in 2019 in line with its terms and conditions and didn’t have to provide her with a reason.

Miss S didn’t agree with what our Investigator said. In short, she says:

- Lloyds has no basis for declining her account applications, as she has done nothing wrong other than transfer money to her partner to set up online banking.
- This activity got unfairly marked as suspicious due to an automated system.

In response, our Investigator said Miss S hasn’t been the subject of an automated decision. But Lloyds made a commercial decision to close her account previously and did so fairly and in line with its terms and conditions. As there was no agreement, this complaint has been passed to me to decide.

## **What I’ve decided – and why**

I note our Investigator made findings on Lloyds’ closure of Miss S’ previous account in 2019 which doesn’t form part of its final response in relation to this complaint. So I don’t think I should consider it here. So, to be clear, this decision will only deal with Miss S’ account application being declined that Lloyds responded to in January 2024.

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

Having done so, I have decided not to uphold this complaint. I’ll explain why.

Banks generally set their own policies and processes for dealing with new account applications but will have regard to any legal and regulatory obligations placed upon it. It's not generally a matter for this service to interfere with a bank's policy and its processes which determine whether it opens an account.

But I do need to consider if Lloyds has acted fairly and reasonably in the way it did so in the individual circumstances of this complaint. Lloyds has explained, and sent me supporting information, for why it decided to briefly open and then close Miss S' account. After carefully considering this, I'm satisfied Lloyds has acted fairly and reasonably in doing so. I can understand why Miss S wants a detailed explanation and why this matter must be frustrating for her, but Lloyds is under no obligation to do so.

### **My final decision**

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 11 April 2025.

Ketan Nagla

**Ombudsman**